

United States Department of the Interior Bureau of Land Management

Finding of No Significant Impacts Environmental Assessment DOI-BLM-UT-G010-2011-0248-EA

November 2011

November 2011 Oil and Gas Lease Sale

Location: Vernal Field Office
Uintah and Duchesne Counties, Utah

Applicant/Address: U.S. Department of the Interior
Bureau of Land Management
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, Utah 84145-0155

Utah State Office
440 West 200 South, Suite 500
Salt Lake City, Utah 84145-0155
Office (801) 539-4001
FAX (801) 539-4237



**Finding of No Significant Impact
Environmental Assessment
DOI-BLM-UT-G010-2011-0248-EA**

INTRODUCTION

The Bureau of Land Management (BLM) has conducted an environmental analysis (EA) (DOI-BLM-UT-G010-2011-0248-EA) in order to address five lease parcels nominated within the Vernal Field Office (VFO) for the November 2011 Oil and Gas Lease Sale, consisting of 1,382.59 acres in Uintah and Duchesne Counties. As provided for in the Notice of Competitive Lease Sale Oil and Gas (August 15, 2011), the proposal included all 5 parcels in the November 15, 2011 quarterly oil and gas lease auction. By erratum dated November 14, 2011 one parcel was deferred. Therefore, only four parcels were offered at the November 15, 2011 quarterly oil and gas lease auction.

This action provides for the orderly development of fluid mineral resources under the BLM's jurisdiction in a manner consistent with multiple use management and environmental consideration for the resources that are present. Adequate provisions are included with the leases to protect public health and safety and assure full compliance with the objectives of National Environmental Policy Act (NEPA), as amended and other federal environmental laws and regulations. Continued leasing is necessary to maintain options for exploration of oil and gas as companies seek new areas for production or attempt to locate and develop previously unidentified, inaccessible or uneconomical reserves. The sale of oil and gas leases will assist the growing energy needs of the United States public. The underlying need for the proposal has been met while accomplishing the following objectives:

1. Lease where in conformance with the BLM land use plans and consistent with state and local plans.
2. Protect important wildlife habitats.
3. Protect Traditional Cultural Properties and Indian sacred sites.
4. Mitigate impacts on other resource values, including air quality, fragile soils and steep slopes.

FINDING OF NO SIGNIFICANT IMPACT DETERMINATION

Based upon a review of the EA and the supporting documents, I have determined that the project is not a major federal action and will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance in context or intensity as defined in 40 CFR 1508.27 and do not exceed those effects described in the Final Environmental Impact Statement (EIS) prepared for the VFO Record of Decision and Resource Management Plan (ROD/RMP) (2008, as maintained). The November 2011 Lease Sale EA tiers to and incorporates by reference, the analysis contained in supporting documents as identified in EA section 1.5. Therefore, an environmental impact statement is not needed.

This finding is based on the context and intensity of the proposal as described:

Context: The November 15, 2011 lease sale involved 1,035.04 acres of BLM administered lands within the VFO that by themselves do not have international, national, regional, or state-wide importance¹. The BLM determined that the reasonable foreseeable development scenario (RFDS) prepared during the planning process was accurate up to approximately five years from the ROD/RMP signature date (ROD/RMP, page 32). The BLM verified these projections again during the preparation of this EA specifically for air quality and emissions inventory based on analysis contained in the Uinta Basin Air Quality Study (UBAQS), the Greater Natural Buttes air quality study, and the Gasco air quality study.

Consistent with past drilling activity, it is estimated that exploratory wells would continue to be drilled in the VFO at the rate of about one well per year for the foreseeable future. Drilling targets would continue to be primarily anticlinal structures within the VFO.

Wildcat wells drilled in the past have resulted in usable discoveries. The current rate of drilling, extent of disturbance and magnitude of impacts remain within the projection made in the planning process. The number of wells and the amount of surface disturbance that has occurred since completion of that analysis is less than predicted and remain within the range anticipated by the RMP/ROD.

All resource values addressed in Chapter 3 were evaluated for cumulative effects. The inclusion of stipulations and notices for each parcel yields no net effects to the cumulative impact area. The cumulative impacts of these lease sale parcels have been considered and the parcels involved are about 0.03 percent of federal mineral lands administered by the VFO. Overall, following this sale, if the five VFO lease parcels are sold, about 0.005% percent more of the public lands in Utah would be leased for oil and gas exploration and development; currently about 0.04 percent of the public lands in Utah are leased.

Intensity: The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into resources and issues considered (includes supplemental authorities Appendix 1 H-1790-1) and supplemental Instruction Memorandum, Acts, regulations and Executive Orders. The following have been considered in evaluating intensity for this proposal:

1. Impacts may be both beneficial and adverse. The proposed leasing would impact resources as described in the EA. Mitigating measures to reduce impacts to other natural resources were incorporated in the leases and were based on decisions within the ROD/RMP and protective measures incorporated from the Greater Natural Buttes EIS and the Gasco EIS.

Collectively, these formed the resource protection measures identified in the EA. None of the environmental effects discussed in detail in the EA and associated appendices are considered significant, nor do the effects exceed those described in the existing NEPA documentation for leasing. Should all of the offered parcels be developed they may contribute substantially to local and regional energy supplies. Additional, site-specific

¹ The November 15, 2011 lease sale also involves 8,570.92 acres within 9 Price Field Office parcels.

NEPA analysis and further mitigation to reduce environmental impacts will be required at the Application for Permit to Drill (APD) stage.

2. The degree to which the selected alternative will affect public health or safety. Leasing for oil and gas and subsequent exploration and development is an on-going activity on public lands. With the stipulations and lease notices attached to the leases and the additional NEPA analysis and potential protections applied at the APD stage, they will be developed in a way that protects public health and safety. For example, spill prevention plans will be required; drilling operations will be conducted under the safety requirements of Federal Onshore Oil and Gas Orders, and recommended practices of the American Petroleum Institute, including blow-out preventers, well bore casings and other industry safety requirements to protect workers and public health. Environmentally responsible oil and gas operations, including health and safety, are outlined within EA section 2.2 (Alternative A – Proposed Action). As such, all operations, including well pad and road construction, water handling, and plugging and abandonment will be conducted following the “Gold Book” Surface Operating Standards for Oil and Gas Exploration and Development. As stated, the Gold Book provides operators with a combination of guidance and standards for ensuring compliance with agency policies and operating requirements, such as those found at 43 CFR 3000 and 36 CFR 228 Subpart E; Onshore Oil and Gas Orders (Onshore Orders); and Notices to Lessees. Included in the Gold Book are environmental best management practices; these measures are designed to provide for safe and efficient operations while minimizing undesirable impacts to the environment. For example, handling of produced water is addressed in Onshore Oil and Gas Order No. 7, which prescribes measures required for the protection of surface and ground water sources. During reclamation, if the fluids within the reserve pit have not evaporated within 90 days, the fluid would be pumped from the pit and disposed of in accordance with applicable regulations.

3. Unique characteristics of the geographic area such as proximity to cultural resources and Traditional Cultural Properties, recreation, visual resources, vegetation, and wildlife. Existing records regarding cultural resources indicate that the density of cultural resources is such that it is likely that a well pad could be located on each of the lease parcels without adverse effects on cultural resources. The Utah State Historic Preservation Office (SHPO) has concurred with a determination of “No Historic Properties Affected” for this lease sale.

Parcel UT1111-011 falls within the Desolation Canyon Unit ²; non-WSA lands with wilderness characteristic area. It was reviewed in February of 2007 by an interdisciplinary team, and as summarized in the Vernal RMP proposed plan/FEIS, on pages 3-43 through 3-48 is natural in condition. The unit contains many supplemental wilderness values, including cultural, scenic, geologic, botanical, and wildlife values. The effects of drilling activity would not be detrimental to the wilderness characteristics of Desolation Canyon Unit 1 as a whole because outstanding opportunities for solitude and outstanding opportunities for primitive and unconfined recreation are not required to be

² Desolation Canyon Unit 1 does not include the Desolation Canyon and Gray Canyon portion of the Green River where rafting is allowed.

present on every acre of land identified to possess wilderness characteristics. This level of development was analyzed and accepted by decision in the VFO RMP.

There are no other unique characteristics within or adjacent to the parcels.

The following resources and uses considered (including supplemental authorities Appendix 1 H-1790-1) are not affected because they are not present in the project area: areas of critical environmental concern, BLM natural areas, farmlands (prime or unique), waters of the US, wetland or riparian areas, wild and scenic rivers, wilderness or wilderness study areas and woodland/forestry.

In addition, the following resources and uses considered (including supplemental authorities Appendix 1 H-1790-1), although present, would not be affected by this proposed action for the reasons listed in Appendix C of the EA: environmental justice, floodplains, fuels/fire management, geology/mineral resources/energy production, hydrologic conditions (storm water), invasive species/noxious weeds, lands/access, livestock grazing, paleontology, rangeland health standards, recreation, socio-economics, soils, vegetation excluding US Fish and Wildlife Service (USFWS) designated species, visual resources, wastes (hazardous or solid), water resources/quality (surface/ground) and wild horses and burros.

The Interdisciplinary Team Checklist (Appendix C of the EA) contains the specialists' determinations and rationale for those elements not present or impacted by the proposal. Issues including changes brought forward by public comment or internal review are discussed at EA sections 1.6 and 5.3 and within Appendix D (Comment Response Table). Significance thresholds were not exceeded for any resource or use of the public land.

The stipulations and lease notices added to the lease parcels including standard lease terms under the Onshore Oil and Gas Lease Orders, those developed in the Vernal Field Office ROD/RMP and those recommended in this EA, take into account the resource values and appropriate management constraints prescribed in the Vernal ROD/RMP, as maintained.

4. The degree to which the effects on the quality of the human environment are likely to be highly controversial. Scientific controversy over the nature of the impacts does not exist. The oil and gas exploration and development that could follow leasing is a routine practice on public lands. The nature of the activities and the resultant impacts are well understood and have been adequately analyzed and disclosed to the public through existing BLM NEPA documents and within the EA.

5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks. As stated above, leasing and subsequent exploration and development of oil and gas is not unique or unusual. The BLM has experience implementing the oil and gas program and the environmental effects to the human environment are fully analyzed in existing NEPA documents and within the EA. Therefore, there are no predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

6. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration. Reasonably foreseeable actions connected to the decision to lease have been considered. As stated in the description of the proposed action within the EA, a lessee's right to explore and drill for oil and gas, at some location on Standard Stipulation and Controlled Surface Stipulation leases, is implied by issuance of the lease. A lessee must submit an application for permit to drill (APD) identifying the specific location and drilling plan to the BLM for approval and must possess a BLM-approved APD prior to drilling. An appropriate NEPA document is prepared prior to approval of the APD. Following the BLM's approval of an APD, a lessee may produce oil and gas from a lease with BLM oversight. Operational changes require additional approvals. The impacts which may result from oil and gas development from leasing the parcels included in the selected alternative were considered by an interdisciplinary team within the context of past, present, and reasonably foreseeable future actions and, as stated below, significant cumulative effects are not predicted.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts – which include connected actions regardless of land ownership. The interdisciplinary team evaluated the possible actions in context of past, present and reasonably foreseeable future actions. Significant cumulative effects are not predicted. A complete disclosure of the effects, including cumulative effects, of leasing the selected parcels is contained in Chapter 4 of the EA.

In summary, the EA establishes that increased surface disturbance relating to future potential operational authorizations relating to the Proposed Action alternative (leasing nominated parcels with recommended protective measures) may impact air quality, cultural resources, Fish and Wildlife Excluding USFWS Designated Species, Greenhouse Gas Emissions, Non WSA Lands with Wilderness Characteristics, migratory birds, Threatened, Endangered or Candidate plant and Animal Species, and special status plant species.

It is anticipated that the additional resource protection measures associated with the Proposed Action would reduce the impacts to specific resources and areas within the cumulative impact analysis area (CIA). The minimal amount of disturbance associated with the expected level of development in the CIA, in combination with Gold Book standard operating practices, best management practices, and additional measures that would minimize development impacts, would result in a negligible cumulative impact on the resources within the CIA.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources. Leasing of the parcels included in the selected alternative will not adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places, nor will it cause loss or destruction of significant scientific, cultural, or historical resources. As discussed in item 3 above, consultation with SHPO has been completed in accordance with Section 106 of the NHPA and the SHPO has concurred with a "No Historic Properties Affected" determination. Given the requirements of the oil and gas lease orders, the governing land

use plan and the other stipulations placed on the leases, scientific, cultural or historical resources would not be significantly affected. In addition, the following has been included as a formal stipulation [Washington Office (WO) Instruction Memorandum (IM) 2005-003] on all of the lease parcels subject to this sale:

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

The Eastern Shoshone, Northwest Band Shoshone, Ute Indian, Goshute Indian, Ute Mountain Ute, Southern Ute, White Mesa Ute, Laguna Pueblo, Hopi, and Zia Pueblo tribes were notified via certified letter. Based on the information received, the BLM has determined that the November 2011 Oil and Gas Lease offering has no potential to affect Tribes or Traditional Cultural Properties (EA at Appendix C).

9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list. The BLM requested formal consultation August 22, 2008 through a Biological Assessment (BA) as part of the planning process for the RMP. The US Fish and Wildlife Service returned a Biological Opinion and Conference Opinion (BO) based on the information provided in the BA on October 23, 2008. The lease notices were originally developed as part of a statewide programmatic Section 7 consultation with the USFWS for leasing dated December 13, 2004 and returned from the USFWS on December 16, 2004 concurring with the BLM's finding of "not likely to adversely affect" for leasing were included and excepted in the BO. Additional programmatic consultation occurred for the California condor in June, 2008 and one for Canada lynx in April, 2007 since they were not undertaken as part of the original state programmatic consultation effort in 2004. In both consultations, BLM committed to attaching to the appropriate lease notices that were designed to manage and protect specific listed species in conjunction with the authority of the ESA and the Standard Terms and Conditions of an oil and gas lease. The BLM and USFWS have agreed upon the language of the lease notice which will notify lessees of specific species that require protection under the ESA. As per the BO prepared for the Vernal Field Office RMP (as maintained), the USFWS also concurred with the application of the respective stipulations applied for the protection of listed species.

In addition, the following has been included as a formal stipulation (WO IM 2002-174) on all of the lease parcels subject to this sale:

The lease may now and hereafter contain plants, animals, and their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objectives to avoid BLM approved activity that will contribute to a need to list such a species or their habitat. BLM may require modification to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligation under requirements of the Endangered Species Act as amended, 16 U. S. C. § 1531 et seq. including completion of any required procedure for conference or consultation.

Since appropriate stipulations and lease notices for protection of plant and wildlife including special status species have been identified, as incorporated through interdisciplinary and interagency efforts, the BLM has concluded that plant and animal species would not be adversely affected.

10. Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where non-federal requirements are consistent with federal requirements. The sale of the parcels included in the November 23, 2011 lease sale does not violate any known federal, state, local or tribal law or requirement imposed for the protection of the environment. State, local, and tribal interests were given the opportunity to participate in the environmental assessment process.

In addition, based on the emissions estimates and consideration of the parcel locations relative to population centers and Class 1 areas, no significant air resource impacts including greenhouse gases are anticipated. Detailed analysis or modeling is not warranted [EA at section 3.3.6, 4.2.6, 4.3.6 (air quality)].

The project is consistent with the applicable resource management plan, policies, and programs as indicated in section 1.5, Relationship to Statutes, Regulations and Other Plans, included in the EA. Additional consultation and coordination will be required during review and approval of site-specific proposals for oil and gas exploration, drilling and development.

/s/ Roger L Bankert
Acting for Kent Hoffman
Authorized Officer

12/23/11
Date